THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) The recent country strategy and programme mission 2003—06 of the Asian Development Bank (ADB) has proposed to provide assistance of US $ 7.5 billion to India during calendar years 2003 to 2006.These loans are proposed in transport, energy, urban infrastrucutre, financial, agriculture and natural resources sectors. The proposed ADB assistance programme is for sovereign guaranteed loans to the public sector.

Prompt correction action scheme for weak banks

1284. SHRI R. P. GOENKA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Reserve Bank of India has formulated a new scheme christened "Prompt Correction Action" (PCA) to acquire additional powers for exercising effective control on the 'Weak banks'; and

(b) if so, the details thereof, including the criteria laid down to identify the weak banks, the specific additional powers sought by the Reserve Bank of India and the present status of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Reserve Bank of India (RBI) in December, 2002, initially for a period of one year, has put into operation a prompt Corrective Action (PCA) scheme based on a predetermined rule-based structured early intervention mechanism. PCA is intended to enhance the effectiveness of the existing supervisory frame-work. It does not aim to provide additional powe RBI.

(b) The PCA Scheme suggests a schedule of corrective actions based on three parameters *i.e.* CRAR, net Non-Performing Assets and Return on Assets, representing capital adequacy, asset quality and profitability respectively. Certain trigger points have been determined under these parameters and for every trigger point, a set of structured and discretionary actions has been proposed to pre-empt any deterioration in the soundness of banks.